



# County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

August 30, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

## **APPROVE CONTRACT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION (ALL DISTRICTS) (3 VOTES)**

### **JOINT RECOMMENDATION WITH THE CHILD CARE PLANNING COMMITTEE THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign the attached contract (Attachment A) with the California Department of Education/Child Development Division (CDE/CDD) in the amount of \$327,041, for the period beginning July 1, 2005 through June 30, 2006. These funds will support ongoing local child care planning efforts of the County of Los Angeles Child Care Planning Committee (Planning Committee).
2. Adopt the attached resolution (Attachment B) to authorize the Chief Administrative Officer, or his designee, to act as the agent for the County to execute attached Federal certifications regarding lobbying, debarment, suspension, a drug-free workplace, and other forms attached, as well as any amendments that may be deemed necessary to implement this contract.
3. Authorize the Planning Committee, with staff support from the Office of Child Care, within the Service Integration Branch of the Chief Administrative Office, to implement the contract.

### **PURPOSE OF RECOMMENDED ACTION**

Acceptance of this contract will support the ongoing implementation of local child care planning activities mandated in the California Education Code, Sections 8499-8499.7. This section of the Education Code mandates that local child care and development planning councils provide a forum for the identification of local priorities for child care services and the development of policies to meet these needs.

The work of the Planning Committee supports the County's Strategic Plan, Goal 3 on Organizational Effectiveness, and Goal 5 on Children and Families' Well-Being. The members of the Planning Committee represent the ethnic, programmatic, and geographic diversity of the County of Los Angeles. The Planning Committee is an effective conduit for information between CDE/CDD and service providers in the County. The Planning Committee promotes a Countywide perspective on child care services, and plays a unique role in providing leadership on these issues.

### **JUSTIFICATION**

Formal approval of this contract by your Board is required to receive financial support from CDE/CDD. The period covered by this contract is July 1, 2005 through June 30, 2006.

### **FISCAL IMPACT**

This action will provide \$327,041 to fund the operations of the Planning Committee, including salaries and employee benefits for staff in the Office of Child Care, consultant services, equipment, materials development, printing and distribution, and travel and training. Planning Committee members serve as uncompensated volunteers. Parent representatives who incur child care costs in order to participate in Planning Committee meetings receive a stipend, which does not exceed \$35 per meeting. Similarly, members who are licensed family child care providers and incur substitute caregiver costs in order to participate in monthly meetings are eligible for a stipend, which does not exceed \$50 per meeting.

### **FINANCING**

This contract has a maximum reimbursable amount of \$327,041 and a Maintenance of Effort requirement (net County cost) of \$64,000. Funding is included in the Chief Administrative Office's Fiscal Year 2005-06 Budget.

### **FACTS AND PROVISIONS**

The Planning Committee has been operating under contract with CDE since 1995. The Education Code defines a number of specific tasks for local child care planning councils, including:

- Operating within the parameters of the Education Code, including the appointment of members by the Board of Supervisors and the County Superintendent of Schools.

- The 2005-06 membership slate was endorsed by your Board on August 2, 2005. As required by the Education Code, 20 percent of the members are drawn from each of the following five categories: 1) Child Care Consumers; 2) Child Care Providers; 3) Public Agencies; 4) Community Representatives; and 5) Discretionary Appointees.
- Conducting a Countywide child care needs assessment at least once every five years.
  - In April 2005, the Planning Committee approved the update of the Needs Assessment, which was originally conducted in 2000. As part of the update, the Planning Committee created a Web site where anyone in the County can access data for any geographic location. The Web site is: <http://gismap.co.la.ca.us/childcare>.
- Preparing a comprehensive County plan to address the needs identified in the Needs Assessment.
  - The Planning Committee developed, "Forging the Future: County of Los Angeles Strategic Plan for Child Care and Development 2003-2013." This Strategic Plan was approved by your Board in September 2003, and endorsed by the Superintendent of Schools in March 2004.
- Designing a system to consolidate the waiting lists of local CDE/CDD-funded child development programs.
  - The Planning Committee implemented the County of Los Angeles Centralized Eligibility List (CEL), which is administered by the Office of Child Care. The CEL database currently contains approximately 28,000 child records, and is used by 24 CDE/CDD-funded contractors. Training and registration of additional CDE/CDD-funded contractors continues.

### **IMPACT ON CURRENT SERVICES**

The mission of the Planning Committee is to engage parents, child care providers, allied organizations, the community, and public agencies in collaborative planning efforts to improve the overall child care infrastructure of the County of Los Angeles, including the quality, continuity, affordability, and accessibility of child care and development services for all families.

In addition, the Planning Committee, with staff support from the Office of Child Care, is overseeing the AB 212 - Investing in Early Educators Program. This program provides cash stipends to persons who are completing additional college level coursework while working directly with children at least 20 hours per week in CDE/CDD-funded child development centers. Since spring 2002, more than 6,000 stipends have been awarded, totaling more than \$14 million. A sixth cycle award is in progress for 2005-06.

To advance its mission in the coming year, the Planning Committee will:

- Continue implementation of the ten-year Strategic Plan for Child Care and Development in the County of Los Angeles;
- Support the expansion of Los Angeles Universal Preschool, an initiative of the First 5 LA Commission;
- Implement an additional cycle of the AB 212 - Investing in Early Educators Program, and conduct an evaluation of the impact of the program;
- Increase the number of CDE/CDD-funded contractors using CEL; and
- Continue to facilitate the expansion of child development services to children with disabilities or other special needs.

### **CONCLUSION**

Two signed copies (original signatures are required) of the contract and resolution should be returned to:

- Chief Administrative Office, Service Integration Branch, Office of Child Care, 222 South Hill Street, 5<sup>th</sup> Floor, Los Angeles, CA, 90012. Copies will be forwarded to CDE/CDD, as required.

Respectfully submitted,

  
DAVID E. JANSSEN  
Chief Administrative Officer

  
PEGGY SISSON, Chair  
Child Care Planning Committee

DEJ:PS:LS  
KMS:LE:sg

Attachments (2)

**CALIFORNIA DEPARTMENT OF EDUCATION**

1430 N Street

Sacramento, CA 95814-5901

**F.Y. 05 - 06****DATE:** July 01, 2005**CONTRACT NUMBER:** CLPC-5018**PROGRAM TYPE:** LOCAL PLANNING COUNCIL**PROJECT NUMBER:** 19-P999-00-5**LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES****CONTRACTOR'S NAME:** LOS ANGELES COUNTY BOARD OF SUPERVISORS

By signing this agreement and returning it to the State, you are agreeing to use the funds identified below for support pertaining to Local Child Care Planning and Development Council (LCCPDC) priorities and activities as they relate to child care and in accordance with the Exhibit B, Local Child Care and Development Planning Council Contract Requirements (available online at <http://www.cde.ca.gov/fg/aa/cd>). The contractor's signature also certifies compliance with "Standard Provisions for State Contracts", (Exhibit A) which by this reference is incorporated herein.

Funding of this contract is contingent upon appropriation and availability of funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract. Funding under this agreement cannot be spent for any expenditure prohibited by the Contract Requirements or Title 5, Division 19, California Code of Regulations. The period for which expenditures may be made with these funds shall be from July 1, 2005 through June 30, 2006. Cash and/or in-kind services must be provided by meeting the maintenance of effort (MOE) amount identified below. The Maximum Reimbursable Amount (MRA) payable pursuant to this agreement shall not exceed \$391,041.00.

Expenditure of these funds shall be reported to Child Development Fiscal Services (CDFS) on form CDFS/CD-9529 no later than July 20, 2006. For non-local educational agencies, expenditures made through June 30, 2006 shall be included in your 2005/06 audit due the 15th day of the fifth month following the end of the contractor's fiscal year. The audits for School Districts and County Offices shall be submitted in accordance with Education Code Section 41020. The Summary of Activities Report (CD-6002), Expenditure Report (CD-6003), Certification Statement Regarding Composition of LPC Membership (CD-3020), and Revenue & Expenditure Report (CDFS/CD-9529) must all be completed and submitted in accordance with Exhibit B, Local Child Care and Development Planning Council Contract Requirements. Failure to submit these reports in a timely manner will result in a billing of the full amount of the contract.

**SERVICE REQUIREMENTS**

Maintenance of Effort (MOE) \$64,000.00

*Approved as to Form by  
Office of County Counsel  
Raymond G. Fortner, Jr.  
By: Michelle Jackson  
Assoc. County Counsel*

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract. Exhibit A, Standard Provisions for State Contracts attached.

**STATE OF CALIFORNIA****CONTRACTOR**

BY (AUTHORIZED SIGNATURE)

BY (AUTHORIZED SIGNATURE)

PRINTED NAME OF PERSON SIGNING

Sharon Taylor

PRINTED NAME AND TITLE OF PERSON SIGNING

TITLE

Manager-Contracts CD+NS Fiscal Svcs

ADDRESS

AMOUNT ENCUMBERED BY THIS DOCUMENT

\$ 327,041

PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT

\$ 0

TOTAL AMOUNT ENCUMBERED TO DATE

\$ 327,041

PROGRAM/CATEGORY (CODE AND TITLE)

Child Development Programs

FUND TITLE

Federal

(OPTIONAL USE) 0656

FC# 93.575

PC# 000326

13946-P999

ITEM 30.10.020.920

CHAPTER

STATUTE

FISCAL YEAR

6100-196-0890

B/A

2005

2005-2006

OBJECT OF EXPENDITURE (CODE AND TITLE)

702

SACS: Res-5055 Rev-8290

Department of General Services  
use only

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

T.B.A. NO.

B.R. NO.

SIGNATURE OF ACCOUNTING OFFICER

DATE

## STANDARD PROVISIONS FOR STATE CONTRACTS

1. The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
2. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
3. The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
4. This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
5. Time is of the essence in this Agreement.
6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties hereto and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
7. The consideration to be paid to Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
8. Contractors entering into an Agreement funded wholly or in part with funds from the United States Government agree to amendments in funding to reflect any reductions in funds if the Congress does not appropriate sufficient funds. In addition, the Agreement is subject to any restrictions, limitations or enactments of Congress which affect the provisions, terms or funding of this agreement in any manner. The State shall have the option to terminate the Agreement without cost to the State in the event that Congress does not appropriate funds or a United States agency withholds or fails to allocate funds.

### Contractor Certification Clauses

**NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. (Not applicable to public entities.)

**DRUG-FREE WORKPLACE CERTIFICATION:** By signing this contract, the contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;

- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed contract will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the contract.

Failure to comply with these requirements may result in suspension of payments under this agreement or termination of this agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

**NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

**UNION ORGANIZING:** Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.

**SWEATFREE CODE OF CONDUCT:**

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

**DOMESTIC PARTNERS:** Commencing on July 1, 2004, for any agreement in excess of \$100,000, Contractor certifies that it is in compliance with Public Contract Code Section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1, 2004 and prior to January 1, 2007, a contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

**EXHIBIT B**

**LOCAL CHILD CARE AND DEVELOPMENT  
PLANNING COUNCIL**

**CLPC**

**CONTRACT REQUIREMENTS**

**July 1, 2005 – June 30, 2006**



**LOCAL CHILD CARE AND DEVELOPMENT PLANNING COUNCIL PROGRAMS**  
**Fiscal Year 2005-06**

These are the requirements for fiscal year 2005-06. Each contractor is required, as a condition of its contract with the California Department of Education (CDE), Child Development Division (CDD), to adhere to these requirements, and any other requirements incorporated into the contract, in addition to all other applicable laws and regulations. Any variance from this contract, the requirements, laws or regulations could be considered a noncompliance issue and subject the contractor to possible termination of the contract.

Any change of these requirements that are binding on the State and the contractor must be in writing, in advance, from the CDE in the form of a formal contract amendment. Any interpretation of the requirements must be in writing from the CDE and signed by the director of the CDD.

Contractors may adopt any reasonable policies relating to the program that are not in conflict with law, regulations or the terms of this contract. Those potentially affected shall be duly notified and due process, if applicable, shall be assured.

This contract is funded through a grant from the federal Department of Health and Human Services and subject to Code of Federal Regulations (CFR) 45, Parts 98 and 99, the Child Care and Development Block Grant Act of 1990, as amended, and Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 USC 9858. If the Catalogue of Federal Domestic Assistance (CFDA) number is 93596 (shown as FC# in the funding block), the fund title is Child Care Mandatory and Matching Funds of the Child Care and Development Fund. If the CFDA number is 93575, the fund title is Child Care and Development Block Grant subject to the Child Care and Development Block Grant Act of 1990, the Omnibus Budget Reconciliation Act of 1990, Section 5082, Public Law 101-508, as amended, Section 658J and 658S, and Public Law 102-586.

**I. DEFINITIONS**

"Actual and allowable net costs" means the costs which may be reimbursed under a particular child development contract after disallowed costs and restricted income have been subtracted from total expenditures.

"Additional funds" means award of new contracts or expanded contracts that increase the contractor's level of administrative responsibility. Cost of living adjustments, rate increases and one-time-only supplemental funds are not considered to be "additional funds."

"Administrative costs" means costs incurred for administrative activities where neither the family, the child nor, if applicable, family child care home service providers directly benefit from the activity.

"Approved indirect cost plan" means that the annual agency audit does not include any management findings regarding the development or the application of the plan.

"Benefit to the State" means that the activity will improve knowledge or expertise in areas directly related to subsidized child care and development services.

"Child development fund" means the restricted fund used by the contractor to account for contract funds and related net reimbursable program costs.

"Contract period" means the time span the contract is in effect as specified in the child development contract.

"Depreciation" means a cost in the current fiscal year that is based on acquisition costs, less any estimated residual value, computed on a straight line method (based on the normal, estimated useful life expectancy of the asset).

"Disallowed costs" means costs which have been incurred but are not reimbursable because they are not reasonable and/or necessary for the performance of the contract as defined below or are otherwise nonreimbursable as specified in Section V.G below.

"Employment agreements" means the formal hiring documents for individuals who will accrue benefits normally afforded to contractor's staff.

"Indirect cost" means an expense that cannot be readily assigned to one specific program or one specific line item within a program.

"Indirect cost allocation plan" means a written justification and rationale for assigning the relative share of indirect costs across more than one program or contract.

"Net reimbursable program costs" means the portion of the actual and allowable net costs that are incurred in the provision of child care and development services for subsidized children.

"New contract" is a contract award to an existing contractor that is for a program type as specified in Education Code Section 8208(h) that is different than the child development contract(s) currently administered by the applicant.

"Private contractor" means an entity other than a public agency that is tax exempt or non-tax exempt and under contract with the CDE for the provision of child care and development services.

"Public contractor" means a school district, community college district, county superintendent of schools, campus of the California State University or the University of California system, county, city or other public entity under contract with the CDE for the provision of child care and development services.

"Reasonable and necessary costs" means expenditures that, in nature and amount, do not exceed what an ordinarily prudent person would incur in the conduct of a competitive business.

"Restricted income" means income which may only be expended for specific limited purposes.

"Unnecessarily increase the value" means an improvement of a site beyond what is required to meet Title 22 California Code of Regulations, Community Care Licensing Standards.

"Use allowance" means an alternate method for claiming the use of the contractor's assets as a cost when depreciation methods are not used.

## **II. GENERAL PROVISIONS**

### **A. Notification of Address Change**

Contractors shall notify the CDD in writing of any change in mailing address for communication regarding the contract (administrative address) within ten (10) calendar days of the address change. For non-public agencies, the notification must be accompanied with (1) board minutes verifying the change in address and (2) a copy of the notification to the Internal Revenue Service of the address change.

Contractors shall notify the CDD in writing of any proposed change in operating facility address(es) at least thirty (30) calendar days in advance of the change unless such change is required by an emergency such as fire, flood or earthquake.

### **B. Open Board Meetings**

Any private agency receiving public funds under these regulations must, to the extent of the publicly funded program, comply with the Ralph M. Brown Open Meetings Act, *Government Code*, Sections 54950-54961. Board meetings shall be open to the public except for meetings with its designated representatives prior to and during consultations and discussions with representatives of employee organizations regarding the salaries, salary schedules or compensation paid in the form of fringe benefits of employees or to consider the appointment, employment, evaluation of performance or dismissal of an employee or to hear complaints or charges brought against an employee unless such employee requests an open meeting. Minutes of these open meetings shall be available to the public.

### **C. Issuance and Use of Checks**

Except for external payroll services, private contractors shall not use any pre-signed, pre-authorized, or pre-stamped checks without the prior written approval of the CDD.

Private contractors shall require two (2) authorized signatures on all checks unless: (1) the contractor has a policy approved by its governing board requiring dual signatures only on checks above a specified dollar amount and (2) the annual audit verifies that appropriate internal controls are maintained.

### **D. Prohibition Against Loans and Advances**

Contractors shall not loan contract funds to individuals, corporations, organizations, public agencies or private agencies. Contractors shall not advance unearned salary to employees. Contractors shall not make advance payments to subcontractors and shall compensate subcontractors after services are rendered

or goods are received except for (1) subcontractors providing direct child care and development services and (2) subcontractors with subcontracts exempt from the provisions of Section IV below as specified in Section IV.A.

**E. Materials Developed with Contract Funds**

If the contractor receives income from materials developed with contract funds, the use of the income shall be restricted to the child development program. If the materials were developed in part with contract funds, the income from the sale of the materials that shall be used in the child development program shall be computed in direct proportion to the share of contract funds used in development of the materials.

Materials developed with contract funds shall contain an acknowledgement of the use of State (general) or Federal funds in the development of materials and a disclaimer that the contents do not necessarily reflect the position or policy of the CDE.

**F. Contractor's Termination for Convenience**

**1. General Termination for Convenience**

A contractor may terminate the contract for any reason during the contract term. The contractor shall notify the CDD of its intent to terminate the contract at least ninety (90) calendar days prior to the date the contractor intends to terminate the contract.

Within fifteen (15) days from the date the contractor notifies the CDD of its intent to terminate the contract; the contractor shall submit a current inventory of equipment purchased in whole or in part with contract funds.

Upon receipt of a notice of intent to terminate, the CDD will transfer the program to another agency as soon as practicable.

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

**2. Changes in Laws or Regulations**

The CDD shall notify contractors in writing of changes in laws or regulations prior to the effective date or as soon as possible after enactment. If any laws or regulations are changed substantially during the contract period, the contractor shall have the option to discontinue performance and be relieved of all obligations for further performance.

The contractor has thirty (30) calendar days from receipt of notification of pending changes to notify the CDD in writing of the contractor's intent to terminate if the required changes are unacceptable to the contractor. The

contract shall be deemed terminated sixty (60) calendar days after receipt of the notification of the intent to terminate.

G. Applicability of Corporations Code

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the *Corporations Code* including standards of conduct and management of the organization.

H. Eligibility for Funding

A contractor is not eligible for additional funds, as defined in Section I above, if the contractor has received final notification, as specified in Section VIII.A below, that its contract has been terminated.

A contractor is not eligible for additional funds if the contractor has demonstrated fiscal and/or programmatic noncompliance and has received final notification, as specified in Section IX.A below, that (1) its contract will be placed on conditional status or (2) it will not be offered continued funding.

I. Continued Funding

Contractors have no vested right to a subsequent contract. Contractors that are not on conditional contract status but which have evidenced fiscal or programmatic noncompliance with the provisions of this contract, law or regulations shall receive an administrative review in accordance with Section IX.A below to determine whether they will receive an offer for continued funding.

Contractors currently on conditional status that do not meet the requirements specified in the Conditional Status Addendum, as specified in Section IX.C below, may not be offered a subsequent contract and shall be so notified by the CDD at least ninety (90) calendar days prior to the end of the current contract period.

Contractors that intend to accept the offer to continue services in the subsequent contract period shall respond to a continued funding application request from the CDD in accordance with the instructions and timelines specified in the request. Failure to respond within the timelines specified in the continued funding application request shall constitute notification to the CDD of the contractor's intent to discontinue services at the end of the current contract period unless the contractor has received a written extension of the original timeline from the CDD.

J. Conflicts of Interest

For any transaction to which the contractor is a party and the other party is: (a) an officer or employee of the contractor or of an organization having financial interest in the contractor; or (b) a partner or controlling stockholder or an organization having a financial interest in the contractor; or (c) a family member of a person having a financial interest in the contractor, the transaction(s) shall be fair and reasonable and conducted at arm's length.

Based on corporate law (*Corporations Code*, Sections 310, 5233-5234, 7233 and 9243 as applicable) the general rules that would be followed to ensure that transactions are conducted "at arm's length" include: (1) prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed and (2) all parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable and costs may be claimed only as depreciation or use allowance. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.

Rental costs for equipment owned by affiliated organizations, officers or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

K. Americans with Disabilities Act

By signing this contract, the contractor assures the CDE that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA .

L. Air or Water Pollution Violations (*Government Code*, Section 4477)

By signing this agreement, the contractor swears under penalty of perjury that the contractor is not: (1) in violation of any order or resolution not subject to review promulgated by the state Air Resources Board or an air pollution control district; (2) subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the *Water Code* for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution. This provision does not apply to public agencies.

M. Recycled Paper Certification (Public Contract Code Section 10233, 10308.5/10354)

The contractor agrees to certify in writing to the CDE, under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post-consumer waste and secondary waste as defined in Public Contract Code, Sections 12161 and 12200, in materials, goods or supplies offered or products used in the performance of this agreement, regardless of whether the product meets the

required recycled product percentage as defined in Public Contract Code Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content.

**N. Child Support Compliance (*Public Contract Code*, Section 7110)**

For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

1. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement including, but not limited to, disclosure of information and compliance with earnings assignment orders as provided in Chapter 8 (commencing with Section 5200) of part 5 of Division 9 of the Family Code; and
2. The contractor to the best of its knowledge it is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

**O. Unlawful Denial of Services (*Government Code*, Section 11135)**

1. No person in the State of California shall, on the basis of race, national origin, ethnic group identification, religion, age, sex, color, or disability, be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.
2. With respect to discrimination on the basis of disability, programs and activities subject to subdivision (a) shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, except that if the laws of this state prescribe stronger protections and prohibitions, the programs and activities subject to subdivision (a) shall be subject to the stronger protections and prohibitions.

As used in this section, "disability" means any mental or physical disability as defined in Government Code Section 12926.

**P. Computer Software Copyright Compliance**

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state (general) and Federal funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

**Q. Union Activities**

For all contracts, except fixed price contracts of \$50,000 or less, the contractor acknowledges that:

By signing this agreement the contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this agreement and agrees to the following:

1. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
2. No state funds received under this agreement will be used to assist, promote or deter union organizing.
3. Contractor will not, for any business conducted under this agreement, use any state property to hold meeting with employees or supervisors if the purposes of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.
4. If the contractor incurs costs or makes expenditures to assist, promote or deter union organizing, the contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that contractor shall provide those records to the Attorney General upon request.

**R. Labor Code/Workers' Compensation**

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

**S. Corporate Qualifications to do Business in California**

1. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
2. "Doing business" is defined in Revenue and Taxation Code (R&TC) Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
3. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.



### III. FACILITIES AND EQUIPMENT

#### A. Depreciation and Use Allowance

Taxes, insurance and maintenance may be claimed as part of actual and allowable costs for buildings or building improvements related to the child development program and equipment necessary for the operation of the program. Within the limits specified below, depreciation or use allowance may also be claimed. Depreciation shall not be claimed on land, donated assets or assets purchased with public funds, on any fully depreciated asset or on idle or excess facilities. A use allowance shall not be claimed on land or assets purchased with contract funds or on assets for which depreciation has been claimed.

Depreciation is a cost in the current fiscal year based on acquisition costs, less any estimated residual value, computed on a straight line method from the original date of acquisition (based on the normal, estimated useful life expectancy of the asset). When depreciation is applied to assets acquired in prior years, the annual charges shall not exceed the amounts that would have resulted had depreciation been claimed from the date of acquisition.

A use allowance is the alternate method for compensation when depreciation costs are not claimed. The use allowance for buildings and improvements is computed at an annual rate not to exceed two percent (2%) of acquisition costs. The use allowance for equipment is computed at an annual rate not to exceed six and two-thirds percent (6-2/3%) of acquisition costs.

#### B. Capital Outlay

Capital outlay expenditures are those that result in the acquisition of or additions to capital assets. Capital outlay expenditures are subdivided into two categories:

1. Sites and improvement of sites; buildings; improvement of buildings; building fixtures; and services systems; and
2. Equipment which includes personal property of a relatively permanent nature and/or of significant value. (See the California School Accounting Manual for categorization of various items.) Capital outlay expenditures for category (1) are only reimbursable as depreciation or use allowance. Capital outlay expenditures for licensable facilities in the community served by the program are reimbursable as lease payments, down payments, payments of principal and interest on loans incurred to acquire, rehabilitate or construct licensable facilities as long as the costs do not exceed fair market rents existing in the community in which the facility is located. In addition, to be reimbursable, interest paid on private sector debt for the purchase, lease-purchase, repair or renovation of child care and development facilities owned or leased by contractors providing center-based care must not exceed the value obtained by the state in the use of the facilities for the child care and development program during the year.

C. Equipment Bidding and Approval Requirements

All equipment purchases in excess of seven thousand five hundred dollars (\$7,500) per item (including tax) shall be approved in writing in advance by the CDD. In determining if an equipment purchase exceeds the threshold, all expenses associated with a purchase that are necessary for it to perform the intended purpose should be included in calculating the purchase cost. Example: A computer system could include, but is not limited to, individual items such as a central processing unit (CPU), computer monitor, computer stand, modems, disk drives, software, printer, etc. or hardware and software to install a local area network (LAN) system; and

For private agencies, all equipment purchases exceeding five thousand dollars (\$5,000 including tax) will not be approved unless at least three (3) bids or estimates have been obtained. The contractor shall purchase the goods or services from the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the contractor shall provide adequate documentation of the reason(s) why three (3) bids or estimates could not be obtained (e.g., emergency situations). Public agencies shall comply with applicable sections of the Public Contract Code. Bids, if applicable, shall be attached to the Request for Approval of Equipment (CD-2703) when submitted to the CDD for approval. One copy of the request shall be retained by the CDD and one copy returned to the contractor approved or disapproved within thirty (30) calendar days of receipt. If the request for approval of an equipment purchase is disapproved, the contractor may appeal the decision in accordance with instructions specified in Section X below.

Equipment replacement and lease-purchase agreements are subject to the above requirements. An inventory of all equipment shall be maintained.

D. Equipment Inventory

Property records must be maintained that include a description of the equipment, serial number or other identification number, the source of the equipment, the acquisition date, the cost of the equipment, the location, use and condition of the equipment and any ultimate disposition date including date of disposal and sale price if applicable. A physical inventory of equipment must be taken at least every two years and reconciled with property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft (any loss, damage or theft must be investigated) and adequate maintenance procedures must be developed to keep the equipment in good condition.

E. Title, Use, Disposition and Retention

1. Title. When equipment is purchased with State funds, title shall vest in the contractor only for such period of time as the contractor has a contract with the CDE.
2. Retention of Equipment. The CDD may provide written authorization for the contractor to retain the equipment for the contractor's own use if a fair compensation is paid to the State for the State's share of the cost of the equipment. Fair compensation shall be determined by the State using the

State's share of original acquisition cost, less depreciation, computed on a straight-line method over the estimated useful life expectancy of the equipment.

3. Use. When equipment is purchased in whole or in part with State funds, the contractor shall use the equipment exclusively in the program(s) from which funds were used to purchase the equipment. If the contractor wishes to share the use of the equipment between/among two (2) or more programs, the cost of such equipment shall be prorated between/among the programs.
4. Disposition. The contractor may dispose of obsolete equipment and remove the asset at its recorded value. If the sale of equipment originally purchased with State funds occurs, the proceeds from the sale of the equipment must be returned to the program. If the contractor no longer has a contract with the CDE, the contractor shall dispose of the equipment in accordance with written directions from the CDE/CDD.

#### **IV. SUBCONTRACTS**

##### **A. Subcontracts Excluded from Requirements of this Section**

The following types of relationships are not subject to the requirements contained in Section IV:

1. Employment agreements;
2. Facility rental or lease agreements;
3. Medical or dental service agreements;
4. Bookkeeping/auditing agreements, except for Section IV.B;
5. Janitorial and groundskeeping agreements;
6. A subcontract with a public agency; and
7. Subcontracts with an individual for less than ten thousand dollars (\$10,000), except for Section IV.B.

However, no subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

All subcontracts, rental agreements, and other contractual arrangements should include a termination for convenience clause permitting termination of such agreements without cost to the contractor.

##### **B. Bids for Subcontracts**

Private contractors shall obtain at least three (3) bids or estimates for subcontracts that exceed five thousand dollars (\$5,000). The subcontract shall be awarded to the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the private contractor shall:

1. Maintain documents in its records that establish the reasons why three (3) bids or estimates could not be obtained; and

2. The reasonableness of the proposed expenditure without three (3) bids or estimates.

Subcontracts subject to the approval of the CDD shall be rebid at least once every three (3) years or more often if specified by the CDD in its annual approval of the subcontract. Public agencies shall award subcontracts in accordance with the Public Contract Code. The contractor shall not split subcontracts to avoid competitive bidding requirements.

Subcontracts for direct child development services between a public agency contractor and a private subcontractor are exempt from bidding but not from advance approval by the CDD if they are for ten thousand dollars (\$10,000) or more.

Subcontracts for auditing and/or bookkeeping services shall be rebid and changed every five (5) years unless retention of the same auditor is approved by the A&I.

#### C. Prior Child Development Division Approval

If directed by CDD, contractors will obtain prior written approval from the CDD for subcontracts of ten thousand dollars (\$10,000) or more that are otherwise not excluded from the provisions of Section IV.A above.

Prior to execution of a subcontract and commencement of work, the contractor shall submit two (2) copies of the proposed subcontract to the CDD for approval, including a proposed line-item budget which shows the costs of the services to be performed. The budget for a proposed subcontract for renovation and repair shall show the total cost of labor and the total cost of materials. Bids, if applicable, shall be submitted to the CDD when requesting approval. If three (3) bids were not obtained, the contractor shall provide written justification when the subcontract is submitted to the CDD for prior approval. Contractors shall demonstrate that approval of the subcontract is cost effective to the State. For proposed renovation and repair subcontracts, private agencies shall include documents showing that the bidder selected by the contractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract. Requests for approval of subcontracts for transportation services shall include a Certificate of Insurance for the subcontractor in an amount not less than \$1 million per occurrence (or a greater amount if required by the Public Utilities Commission regulations), listing the contractor and the State as additional named insured.

One copy of the subcontract will be retained by the CDD and the other copy returned to the contractor approved or disapproved within thirty (30) calendar days of receipt of all required documents. No reimbursement shall be made to the contractor or subcontractor for work performed prior to CDD approval. A disapproved contract will include a statement of the reason(s) for not approving the subcontract. If the request for approval of a subcontract is denied, the contractor may appeal the decision in accordance with instructions specified in Section X below.

The State does not assume any responsibility for performance of approved subcontracts nor does the State assume responsibility for any unpaid debt of the contractor resulting from subcontracting liens.

Subcontracts which increase the contractor's cost of performance are nonreimbursable. Subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-cost are not reimbursable.

D. Required Subcontract Provisions

Every subcontract shall specify:

1. The dates within which the subcontractor is to perform the contract. The time for subcontractor performance shall not begin prior to, nor shall the time extend beyond, the time period of the contract between the contractor and the State.
2. The dollar amount of the subcontract or specify an amount not to exceed a maximum dollar amount.
3. The service(s) to be provided under the subcontract.
4. The responsibilities of each party under the subcontract.
5. That the subcontractor, and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers or employees or agents of the State of California.
6. That modifications of the subcontract shall be in writing, and that for subcontracts in excess of the amount stated in the annual child development contract, prior written CDD approval is required unless the subcontract is otherwise exempt from prior CDD approval.
7. That the subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract.
8. Remedies, in case of a breach of contract, for subcontracts in excess of ten thousand dollars (\$10,000).
9. That the State of California retains title to any equipment or supplies purchased with State funds and that the equipment shall be returned to the contractor upon termination of the subcontract. The subcontract shall also specify that the subcontractor shall obtain prior written approval from the contractor and the CDD for any unit of equipment that costs in excess of seven thousand five hundred dollars (\$7,500).
10. That the subcontractor shall be reimbursed for travel and per diem expenses only at rates that do not exceed the rates paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California Code of Regulations, Subchapter 1.
11. That the subcontractor agrees to indemnify and hold harmless the State of California, its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of the subcontract, and from any and all claims and losses

- occurring or resulting to any person, firm or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract.
12. For management and/or direct service subcontracts, the subcontractor shall maintain records for program review, evaluation, audit and/or other purposes and make the records available to agents of the State for a period of five (5) years.
  13. The provisions of the "Nondiscrimination Clause" included in the prime contract as specified in Title 2 California Code of Regulations, Chapter 5, Section 8107.

**E. Recommended Subcontract Provisions**

The following items are suggested for inclusion in subcontracts to protect the interests of the contractor:

1. Funding of the subcontract should be made subject to the appropriation and availability of funds from the State.
2. All subcontracts should contain a provision that the subcontractor is liable for any audit exception caused by, or as a result of, the subcontractor's lack of performance as required by the subcontract.
3. The subcontract should provide that the subcontractor, its agents and employees, in the performance of the subcontract, are acting in an independent capacity and not as agents or employees of the contractor.
4. Unless exempt from CDD approval above, subcontracts for ten thousand dollars (\$10,000) or more cannot become effective and binding on either the prime contractor or the subcontractor until approved in writing by the CDD, and any work performed by the subcontractor prior to the date of such approval shall not be used as a claim against the State.
5. The consideration paid to the subcontractor, as provided in the subcontract, should be stated to be the full compensation for all the subcontractor's expenses incurred in the performance of the subcontract.

**F. Audit Requirements for Subcontracts**

Subcontracts for management and/or direct services shall be audited in accordance with the CDE Audit Guidelines. The cost of the audit shall be reimbursable and shall be borne by the contractor either directly or as an allowance in the subcontract. The audit of the subcontract shall be submitted to the A&I along with the contractor's audit as specified in Section VI.E below.

**V. COSTS AND REIMBURSEMENTS**

**A. Reasonable and Necessary Costs**

Contractors will be reimbursed for actual costs that are reasonable and necessary to the performance of the contract as defined in Section I above. The funds apportioned by CDE to the LPC must be used to supplement and not supplant any local efforts to increase collaboration of child care agencies and children's service interest groups that may already be in place.

**B. Indirect Costs**

If indirect costs are claimed, an indirect cost allocation plan must be on file with the contractor and available for review by the CDD and auditors. The maximum indirect cost rate is eight percent (8%). This rate is applied to budget categories 1000-5000 only in determining the maximum amount of indirect costs that are reimbursable under the contract. School districts and county offices of education shall use the CDE approved rate if it is less than eight percent (8%).

The amount of cost allocable to this contract shall not exceed the benefits to this contract. The allocation method must quantify this benefit among all similar programs and then distribute the costs accordingly.

The indirect cost rate shall not include consideration of any costs otherwise nonreimbursable. If a depreciation or use allowance is included in the indirect cost rate, such allowance shall not be claimed on the asset.

**C. Administrative Costs**

Contractors may claim administrative costs as defined in Section I above which are directly related to the provision of child care and development services. Reimbursement of administrative costs shall not exceed fifteen percent (15%) of net reimbursable program costs or actual administrative costs, whichever is less. The fifteen percent (15%) includes any allowance for indirect costs and audits. Contractors shall maintain written documentation of the rationale used in determining direct and administrative costs.

**D. Costs for Travel and Per Diem**

Contractors and subcontractors shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California Code of Regulations, Subchapter 1. Contractors with collective bargaining agreements allowing higher rates of reimbursement shall not pay the difference out of contract funds. The CDD shall notify the contractor of a change in expense rates within thirty (30) calendar days after the CDD has received notification of a change in rates from the State Department of Personnel Administration.

1. Contractors shall be reimbursed for out-of-state travel expenses only with prior written approval from the CDD. The CDD shall not approve out-of-state travel expenses:
2. For more than one employee per contract per year;
3. For contractors with delinquent accounts payable which are delinquent more than ninety (90) calendar days after the date of the original invoice;
4. For contractors on conditional status;
5. When there is no clear benefit to the State; or
6. When the benefit to the State can be obtained within California.

The CDD shall approve or deny the request for out-of-state travel within thirty (30) calendar days of the receipt of the request. If the request is denied, the

contractor may appeal the decision in accordance with instructions specified in Section X below.

**E. Specific Items of Reimbursable Costs**

Reimbursable costs include, but are not limited to, the following:

1. Administrative costs as specified in Section V.C above.
2. Employee compensation, including fringe benefits, and personal service contracts.
3. Equipment and equipment replacement with prior CDD approval if required in Section III.C above.
4. Taxes, insurance, and maintenance for building and/or equipment.
5. Depreciation based on the useful life of an asset in accordance with Section III.A above.
6. A use allowance for buildings and improvements in accordance with Section III.A above.
7. Travel and per diem expenses, including approved out-of-state travel, in accordance with Section V.D above.
8. An indirect cost rate based on an approved indirect cost plan, in accordance with Section V.B above.

**F. Nonreimbursable Costs**

The following costs shall not be reimbursable under the child development contract:

1. Bad debts, including losses arising from uncollectible accounts and any related legal costs. Uncollected parent fees are not considered to be bad debts if documentation of collection attempts exists;
2. Contributions;
3. Costs of amusement or entertainment;
4. Costs of fines or penalties;
5. Costs incurred after the contract has been terminated;
6. Fund raising costs;
7. Consumer interest except: (a) interest on borrowed funds when apportionments are withheld because of a delay or error attributable to the State and the amount of interest claimed is approved by the CDD; or (b) when interest is part of a lease purchase agreement;
8. Investment management costs;
9. Costs of organization of a nonprofit corporation such as incorporation fees or consultant fees;
10. Public relations consultant fees;
11. Costs of legal, consulting and accounting services incurred in prosecution of claims against the State;
12. State and federal income taxes;
13. Bonuses unless part of a collective bargaining agreement;
14. Compensation to the members of the board of directors except for: (a) reimbursement for travel and/or per diem, computed in accordance V.D above, incurred while the members are conducting business for the organization; and (b) as provided in the Corporation Code, Section 5227, et seq.;



15. Costs of subcontracts which increase the contractor's cost or subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-costs;
16. Costs incurred in prior or future years.

**G. Charging of Expenditures**

Net reimbursable program costs must be incurred during the contract period. Contractors shall not use current year contract funds to pay prior or future year obligations. However, the cost of the annual independent audit may be claimed either in the contract period which was the subject of the audit or during the contract period in which the audit is completed.

**H. Recoupment of Advanced Contract Funds**

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount that is recouped shall be the excess payment over the reasonable or fair market value, or one hundred percent (100%) of the cost, if the cost was not necessary. The CDE may elect to recover any costs of recoupment, including collection services or attorney fees.

**I. Determination of Reimbursable Amount**

Contractors shall be reimbursed for an audited claim that is the least of the following:

1. The maximum reimbursable amount as stated in the annual child development contract
2. The actual and allowable net costs

**J. Reduction, Withholding, and Canceling Apportionments to Contractors**

The CDE shall reduce, withhold or cancel any scheduled apportionment when one or more of the following conditions exist:

1. The contractor has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The contractor has not submitted the reports required by Section VI below on or before the date due.
3. The contractor will not earn the full contract amount based on the current year projected net reimbursable program costs as determined by the CDFS.
4. A creditor of the contractor has placed a lien on the contractor's scheduled apportionments.
5. The contractor has accounts payable which are: (a) more than ninety (90) days delinquent to the CDE and (b) not under appeal as specified in either Section VIII.A or Section X below.

If any apportionment is to be reduced, withheld or cancelled, the CDE shall provide the contractor prior written notice of the intended action.

K. Order of Expenditure

Expenditure from the Child Development Fund established pursuant to Section VI.B below shall occur in the following order:

1. Fees collected from parents of certified children shall be first in and first out.
2. State or federal contract funds apportioned by the CDE shall be second in and second out.
3. Interest received on advanced contract funds shall be last in and last out.

VI. ACCOUNTING AND REPORTING REQUIREMENTS

A. General Requirements

Contractors shall follow the accounting procedures specified in the most recent edition of the California School Accounting Manual. Contractors shall report expenditures on an accrual basis.

B. Child Development Fund and Interest Bearing Accounts

All contractors shall establish a fund to be known as the "Child Development Fund" as specified in *Education Code*, Section 8328, except that private contractors shall establish the fund in a federally insured banking institution located in California. Contractors with multiple funds sources shall establish separate program cost accounts for each source of funds.

If the contractor places advanced contract funds in an interest bearing account, the interest bearing account shall be a separate account within the Child Development Fund. Interest earned shall be retained by the contractor if it is expended on reimbursable costs.

C. General Record Keeping Requirements

All records shall be retained for a minimum period of five (5) years. Claims for reimbursement shall not be paid unless there are documents to support the claims. The contractor has the burden of supporting claims for reimbursement.

If the contractor has more than one CDE program, then the method used to allocate administrative costs must be documented.

If an individual is multi-funded on a time accounting basis, then the individual's time sheet must indicate the actual amount of time spent in each program per day.

State employees or representatives shall be allowed access to all program related or fiscal records during normal work hours.

**D. Other Report Data**

Contractors shall submit statistical, cost and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements and for the effective administration of child care and development programs.

Contractors submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the contractor to certify the data. The signature may be electronic as specified by the CDE.

Contractors shall submit complete, accurate data to the CDE by the data specified, and as specified, in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required date shall be considered delinquent. Penalties for delinquent reporting are specified in Section V.J. above.

**E. Audits and Auditors**

Contractors shall submit to the CDE's and Investigations Division (A&I) an acceptable annual financial and compliance audit. All audits shall be performed by: (1) a Certified Public Accountant who possesses a valid license to practice within the State of California; (2) a Public Accountant licensed on or before December 31, 1970 and currently certified and licensed by the State of California; or (3) a member of the CDE's staff of auditors. Public agencies may have their audits prepared by in-house auditors if the public contractor has internal audit staff that performs auditing functions and meets the tests of independence found in the Government Auditing Standards issued by the Comptroller General of the United States.

Non-school district contractors shall submit the audit for the 2005-2006 contract period by the 15<sup>th</sup> day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by CDE (audits of community college districts shall be submitted by December 31, 2006). If a contractor receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit shall be conducted and submitted biennially, unless there is evidence of fraud or other violation of state law in connection with the contract.

In addition to the audit required by the preceding paragraph, non-school district contractors shall the contractor's fiscal year, or earlier if specified by the CDE, unless the contract is terminated during the contract period, in which case the audit required under this paragraph shall cover the period from the beginning of the contract through the date of termination.

The audits for school districts and county offices of education for FY 2005-2006 shall be submitted to the State Controller and the A&I by December 15, 2006 in accordance with Education Code Section 41020 and extensions shall only be granted in accordance with Education Code Section 41020.2.

Private agencies (including proprietary entities) that expend \$500,000 or more in total federal funds are required to have an Organization Wide Audit (OWA) performed in accordance with OMB Circular A-133 and the "Audit Guide for Audits of Child Development and Nutrition Programs" prepared by CDE's A&I. Governmental and other public agencies (excluding school districts, county offices of education and community college districts) must comply with the requirements of OMB Circular A-128 and the CDE's "Audit Guide." All other agencies (excluding school districts, county offices of education and community colleges) must submit a contractor audit performed in accordance with the CDE's "Audit Guide."

Management subcontracts shall be audited in accordance with the requirements stated in Section IV.F above.

**F. Review of Audit by the CDE's Audits and Investigations Division**

The CDE's A&I shall conduct a review of the audit to determine whether the audit is acceptable and to determine the contractor's net reimbursable program costs. The A&I's determination of earnings shall be the final accounting of any amount payable to or receivable from the contractor pursuant to the contract.

The contractor may appeal the A&I's findings according to the procedures specified in Section VIII.A below if the amount of the demand for remittance meets or exceeds the threshold specified in Education Code Section 8402(c).

**G. Delinquent Audits and One-Time-Only Extensions**

If an audit is not received on or before the required due date and an extension has not been granted, the audit shall be considered delinquent and all apportionments shall be withheld as specified in Section V.J above.

Except for contractors on conditional status, the A&I may grant a contractor a one-time-only, thirty (30) calendar day extension of the audit due date provided the inability of the contractor to submit the audit by the due date was beyond the fault and control of the contractor.

Contractors shall be liable for all CDE costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

**H. Bureau of State Audits**

Contractors shall be subject to the examination and audit of the Bureau of State Audits for a period of three (3) years after final payment under this contract.

**VII. Contract Classifications**

**A. Clear Status**

Contractors that are in full compliance with applicable laws, regulations and contract provisions are awarded clear contracts.

**B. Provisional Status**

New contractors and contractors with new contracts shall be on "provisional" status (stamped on the face sheet of the contract) for a period of not less than twelve (12) months. Contractors on provisional status shall submit monthly fiscal reports to the CDFS.

**C. Conditional Status**

Contractors receiving "conditional" contracts (stamped on the face sheet of the contract) shall be on conditional status until the CDE issues a contract rider formally clearing the contract as specified in Section IX.D below. While on conditional status the contractor shall submit monthly fiscal reports to the CDFS. The first monthly report shall include a current inventory of equipment purchased in whole or in part with contract funds.

**VIII. TERMINATION, SUSPENSION AND MAJOR REDUCTIONS IN CONTRACT PAYMENTS**

**A. Independent Appeal Procedures**

Pursuant to the requirements of Education Code Sections 8400 through 8409, an independent appeal procedure shall be available to any contractor whose contract is terminated or suspended, or whose total reimbursable contract amount is reduced by four percent (4%) or \$25,000, whichever is less. Such appeals shall be heard by independent hearing officers in accordance with procedures established by the Office of Administrative Hearings (OAH) as specified in California Code of Regulations, Title 1 Sections 1121 through 1126, described below in Section VIII.B.

Termination or suspension of a contract during the contract period may occur when:

1. A contractor fails to correct items of fiscal or programmatic noncompliance within six (6) months of receiving a conditional contract which includes an addendum stating the specific items of noncompliance and the corrective actions necessary to come into compliance; or
2. A contractor engages in serious misconduct posing an immediate threat to health and safety or to State funds for any of the reasons listed in Education Code Section 8406.7; or
3. A contractor fails or refuses to make available for examination or copying by an authorized employee of the California Department of Education any records or documents that the contractor is required to retain, upon request by that employee to examine or copy such records or documents; or
4. A contractor refuses to permit an authorized employee of the California Department of Education to enter a facility operated by the contractor during the days and/or hours of operation on file with the California Department of Education, for the purpose of reviewing administrative operations of the contractor or for observing child care and development services provided by the contractor.

Any action by the CDD to terminate or suspend a contract or to reduce the total reimbursable contract amount, as stated in Education Code Section 8402(a) through (c), shall be preceded by a notice stating the specific reasons for the action and describing the contractor's appeal rights. If the action is appealed, a copy of this information shall also be submitted to the OAH.

Unless the termination or suspension is for reason(s) specified in Education Code Section 8406.7 or imminent danger to the health and welfare of children, the contractor may continue to operate during the appeal process.

**B. Formal Appeals Procedures**

**1. Appeal Petition**

The contractor may contest the noticed action by filing an appeal petition by registered mail with the CDD requesting a hearing before the OAH, not later than fifteen (15) calendar days from the service of the notice of action. The petition shall include: (a) a clear, concise statement of the action being appealed, (b) the reasons the action is unwarranted and (3) any written documentation in support of the appeal.

**2. Hearing**

If the contractor requests a hearing, it will be held within thirty (30) calendar days of receipt of the petition by the CDD, but at least ten (10) calendar days' written notice will be given of the time and place of the hearing. An OAH hearing officer will hear evidence submitted by the State and the contractor during the hearing. The hearing will be recorded. The hearing officer may continue hearings, if deemed necessary.

**3. The Decision**

The hearing officer shall issue a final decision, in writing, within thirty (30) calendar days after the submission of the case. The decision shall be sent by registered mail or personally served on the representatives of the parties by OAH. The decision shall be the final administrative action afforded the contractor.

**4. Request for Additional Written Materials on File at CDE**

Contractors may request, in writing, any public documents on which the CDE intends to rely from the CDE files at a cost of six (6) cents per page, payable in advance. The CDE will mail the material requested not later than ten (10) days from the receipt of the request.

**C. Contractor's Responsibility After Notice of Termination**

After receiving notice of the CDD's decision to terminate the contract or to make no offer of continued funding, the contractor shall submit copies to or make available for copying by the CDD all of the following: (1) a current inventory of

equipment purchased in whole or in part with contract funds; and (2) the names, addresses and telephone numbers of all staff members funded by the contract;

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

## **IX. CONTRACT STATUS CHANGE PROCEDURES**

### **A. Administrative Review of Changes in Contract Status**

Contract performance shall be reviewed at least annually by CDD staff who shall determine by April 1 of each year whether to offer continued funding on a clear contract, continued funding on a conditional basis or to make no offer of continued funding.

If the staff recommends conditional status or no offer of continued funding, the contractor shall be notified in writing of the reasons for the proposed change in contract status by April 7<sup>th</sup>. The notice of proposed action shall be sufficiently specific to allow the contractor to respond to the factual basis for the proposed action.

If the contractor disagrees with the proposed action, the contractor's response shall be received by the CDD within ten (10) calendar days of receipt of the notice of proposed action. The contractor's response shall include any written materials in support of its position and, if the contractor intends to make an oral presentation, the response shall so specify.

If the action is being appealed, the staff recommendation and the contractor's response shall be reviewed by an administrative review panel convened by the Director of the CDD within seven (7) calendar days of receipt of the contractor's response. The review panel will consist of representatives of CDD management, the CDFS and CDE's Legal Office, A&I and Contracts Office and a representative of a child care and development service provider familiar with the type(s) of program(s) operated by the contractor.

Upon review of the written submissions, the panel will do one of the following: (1) issue a final decision upholding or modifying the proposed change in status if no oral presentation has been requested; (2) schedule a time and place for an oral presentation by the contractor or (3) issue a final decision to not change the contract status.

If an oral presentation has been requested, the contractor will be notified by telephone of the time and place of the presentation. The oral presentation will be scheduled no later than fourteen (14) calendar days from receipt of the contractor's response.

At the oral presentation, the contractor or the contractor's representative will have an opportunity to explain any material submitted in its response. While the

contractor may present any information or arguments that are relevant to the proposed action, the review panel may set reasonable limits on the scope of the presentation.

Within seven (7) calendar days after the oral presentation, the review panel shall issue and mail to the contractor a decision upholding, reversing or modifying the proposed change in contract status. The decision of the review panel shall be the final action of the CDE with regard to that contract.

**B. Conditional Status Imposed During the Contract Period**

If the contractor demonstrates fiscal or programmatic noncompliance during the contract period, based on such information as an annual audit report, a contract compliance review, a program quality review, or a change in licensing status, the CDD may place the contract on conditional status for the remainder of the contract period.

The contractor shall receive notice and may request an administrative review of the proposed action as set forth in Section IX.A above, in the event such a change in contract status is recommended by staff of the CDD.

If the contract is placed on conditional status during the last ninety (90) days of the contract period and the contractor is offered continued funding, the contract for the subsequent contract period will also be on conditional status.

**C. Conditional Status Addendum**

A conditional status contract shall contain a bill of particulars as specified in Education Code Section 8406.6 called a Conditional Status Addendum explaining the contract conditions. The Addendum shall include the following:

1. The specific item(s) of noncompliance which the contractor must correct;
2. The specific corrective action(s) which must be taken;
3. The time period within which the contractor must complete the corrections; and
4. Notice that failure to make required corrections will result in termination of the contract or no offer of continued funding.

If the contractor is placed on conditional status during the contract period a Conditional Status Addendum will be issued by the CDE and the Conditional Status Addendum shall be considered a part of the annual child development contract and binding on the contractor.

**D. Duration of Conditional Contract Status**

A contractor shall remain on conditional contract status until the contractor has corrected deficiencies and/or has met requirements identified in the Conditional Status Addendum. A contractor with a repayment plan shall remain on conditional contract status and not receive any apportionments until full repayment is made.



A contractor on conditional contract status that is not on a repayment plan shall remain in that status until:

1. The CDE issues written notice to the contractor that the conditional status has been cleared;
2. The contractor is issued a clear contract; or
3. The contract terminates according to its terms

A contractor may request written verification from the CDD that some of the deficiencies have been corrected even if the contractor will not be removed from conditional contract status.

## **X: RESOLUTION OF CONTRACT ADMINISTRATION DISPUTES**

The procedure specified in this Section shall be used to resolve disputes between contractors and the CDE that may arise regarding the interpretation and application of any term or condition of a contract, including, but not limited to, requests for waivers, approval of subcontracts or expenditures requiring approval, requests for reimbursement rate adjustments, or reductions in the total amount of contract reimbursement that are not appealable under Section VIII.A above.

The contractor shall attempt to resolve contract disputes at the lowest staff level within the CDE. If the dispute is not resolved at the lowest staff level, the contractor may appeal the decision by submitting a written description of the issues and the basis for the dispute to the Regional Administrator of the CDD having jurisdiction over the contractor's service delivery area. The Regional Administrator shall make a determination and shall send a written notification of the decision to the contractor, together with the reasons for the decision, within thirty (30) calendar days of the receipt of the appeal by the Regional Administrator.

The contractor may appeal the decision of the Regional Administrator to the Assistant Director of the CDD by submitting a written description of the issues in dispute, and a copy of the Regional Administrator's decision. The Assistant Director of the CDD shall send notification of the decision to the contractor and shall specify the reason(s) for the decision within thirty (30) calendar days of the receipt of the appeal by the Assistant Director. The decision of the Assistant Director of the CDD shall be the final administrative action afforded the contractor.

## **XI. PROGRAM REQUIREMENTS**

It is the intent of the Legislature that local child care and development planning councils shall provide a forum for the identification of local priorities for child care and the development of policies to meet the needs identified within those priorities (*Education Code*, Section 8499.3). It is further the intent of the Legislature that communities implementing new programs or initiatives connect with existing program strategies and build upon existing local collaboratives, when possible, to provide a unified integrated system of service for children and families (*Education Code*, Section 54744)

The following program requirements are provided to assist the designated legal entity in meeting the legislative intent.

A. Responsibilities of the County Board of Supervisors (CBS) and County Superintendent of Schools (CSS)

Pursuant to statutes, *Education Code*, Sections 8499.3 and 8499.5, both county boards of supervisors (CBS) and county superintendents of schools (CSS) are mandated to be involved in the local child care planning process. Specifically, the CBS and CSS are directed to:

- appoint members to the LPC according to the guidelines prescribed in statute;
- publicize their intention and invite local organizations to submit nominations before selecting the members;
- establish the term of appointments for the members of the LPC;
- approve the priorities that are developed by the LPC for submission to the California Department of Education (CDE), for new state and federal child care funding for the county;
- approve the results of the needs assessment developed by the LPC prior to submission to the CDE;
- identify member(s), as prescribed in *Education Code*, Section 8499.5, to serve as part of the team that reviews and scores contract child care service applications submitted to the CDE.

B. Membership of the Local Planning Council (LPC)

The statute provides guidelines for the composition of the LPC membership and how appointments are made. The statute specifically requires that every effort should be made by the appointing agencies to assure that the ethnic, racial, and geographic composition of the LPC is reflective of the population of the county. Members shall be appointed from each of the five following categories of representation:

- 20 percent consumers, defined as a parent or person who receives, or who has received within the past 36 months, child care services.
- 20 percent child care providers, defined as a person who provides child care services or represents persons who provide child care services.
- 20 percent public agency representatives, defined as a person who represents a city, county, city and county, or local education agency.
- 20 percent community representatives, defined as a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care provider and does not represent an agency that contracts with the CDE to provide child care and development services.
- The remaining 20 percent are to be appointed from any of the above categories or outside of these categories at the discretion of the appointing agencies.

The CBS and CSS are each to appoint one-half of the LPC members. In the case of uneven membership, both appointing entities will agree on the odd-numbered appointee.

No member of the LPC shall participate in a vote if he or she has a proprietary interest in the outcome of the matter.

The LPC is required to adhere to the requirements in the Ralph M. Brown Act; *Government Code*, Sections 54950-54963, in the conduct and public notification of LPC meetings scheduled.

#### C. LPC Responsibilities

When legislation does not identify specific target populations or geographic areas to be served in allocating expansion funds, the CDD will use the LPC priorities for the purpose of allocating new state and federal funds within each county. Priorities shall be submitted in accordance with *Education Code*, Section 8499.5.

The priorities shall be identified in a manner that ensures that all child care needs in the county are met to the greatest extent possible. To accomplish this, the LPC shall do all of the following:

1. Elect a chair
2. Employ, as an LPC Coordinator, staff person(s) equivalent to at least one full-time position. The LPC Coordinator shall assist the LPC in meeting the mandates set forth in Title 1, Division 1, Part 6, Chapter 2.3 of the *Education Code*. Additionally, the LPC shall employ support staff as deemed necessary to meet LPC roles and responsibilities.
3. Conduct an assessment of child care needs at least once every five years. The needs assessment shall meet the requirements as specified in *Education Code*, Section 8499.5(b).
4. Document information gathered during the needs assessment which shall include, but need not be limited to, data on supply, demand, cost, and market rates for each category of child care in the county.
5. Submit the results of the needs assessment and the local priorities identified by the LPC to the CBS and CSS for approval before submitting them to CDE.
6. Prepare a comprehensive countywide child care plan designed to mobilize public and private resources to address identified needs.
7. Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing during which members of the public can comment on the proposed priorities.
8. Conduct a periodic review of child care programs funded by the CDE and CDSS to determine if identified priorities are being met.
9. Collaborate with all interested parties, including, but not be limited to, subsidized and non-subsidized child care providers, county welfare departments, human service agencies, regional centers, job training programs, employers, integrated child and family service councils, local and state children and families commissions, parent organizations, early start family resource centers, family empowerment centers on disabilities, and local child care resource and referral programs, to foster partnerships designed to meet local child care needs.
10. Facilitate community-based efforts to coordinate part-day programs, including state preschool and Head Start, with other child care and development services to provide full-day, full-year child care and

development services based on guidelines and funding models approved by state and federal agencies.

11. Develop and implement a training plan to provide increased efficiency, productivity, and facilitation of LPC meetings.

**D. Contract Period**

The contract period shall be July 1, 2005 through June 30, 2006 (12-month contract).

**E. Local Maintenance of Effort Contribution**

Each contractor shall contribute a maintenance of effort, in the form of monetary and/or in-kind services, equal to 25% of the annual 1998/99 LPC grant award amount. The local contribution for this contract is shown on the face sheet. This amount must be reported on the CD-6003 Quarterly Expenditure Report and the CDFS 9529 Expenditure and Revenue Report Form in Section I—Revenue under Maintenance of Effort.

**F. Reporting Requirements and Other Critical Dates**

The following page contains a listing of required activities and due dates that the contractor must adhere to during the contract period. Failure to comply with these requirements may be considered a noncompliance issue and subject the contractor to possible termination of the contract.

### Activities Timeline

Report/Activity	Due Date	Reporting Period
Fiscal Plan	September 30, 2005	Fiscal Year 2005/06
CD-6002-Quarterly Summary of Activities Report	1 <sup>st</sup> Qtr: October 20, 2005	Jul. 1, 2004 – Sep. 30, 2005
	2 <sup>nd</sup> Qtr: January 20, 2006	Oct. 1, 2004 – Dec. 31, 2005
	3 <sup>rd</sup> Qtr: April 20, 2006	Jan. 2, 2005 – Mar. 31, 2006
	4 <sup>th</sup> Qtr: July 20, 2006	Apr. 1, 2005 – Jun. 30, 2006
CD-6003 Quarterly Expenditure Report	1 <sup>st</sup> Qtr: October 20, 2005	Jul. 1, 2004 – Sep. 30, 2005
	2 <sup>nd</sup> Qtr: January 20, 2006	Jul. 1, 2004 – Dec. 31, 2005
	3 <sup>rd</sup> Qtr: April 20, 2006	Jul. 1, 2004 – Mar. 31, 2006
	4 <sup>th</sup> Qtr: July 20, 2006	Jul. 1, 2004 – Jun. 30, 2006
CD-3020-Certification Statement Regarding Composition Of LPC Membership	January 20, 2006	
Changes to:		
- bylaws		
- previously submitted needs assessments	Within 4 weeks after approval	
- comprehensive countywide child care plan		
Attend periodic Technical Support Meetings (LPC Coordinator Meetings)	July 2005	
	October 2005	
	February 2006	Times and locations will be announced
	May 2006	
CD-3022 LPC County Priorities Report	May 30, 2006	For use in allocating 2005-06 Expansion Funding
CDFS 9529 Revenue and Expenditure Report	July 20, 2006	July 1, 2005 – June 30, 2006

### The Expenditure and Revenue Report Form

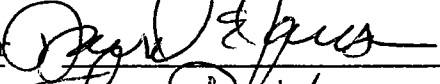
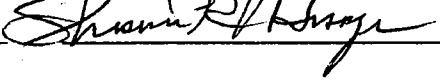
## RESOLUTION

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize the designated personnel to sign contract documents for Fiscal Year 2005/06.

## RESOLUTION

BE IT RESOLVED that the Governing Board of County of Los Angeles Board of Supervisors

authorizes entering into local agreement number/s CLPC-5018 and that the person/s who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>David E. Janssen</u>	<u>Chief Admin. Officer</u>	
<u>Sharon R. Harper</u>	<u>Chief Deputy</u>	
_____	_____	_____

PASSED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_ 2005/06, by the Governing Board of County of Los Angeles Board of Supervisors of Los Angeles County, California.

I, \_\_\_\_\_, Clerk of the Governing Board of Supervisors \_\_\_\_\_, of Los Angeles, County,

California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a \_\_\_\_\_ meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

\_\_\_\_\_  
(Clerk's signature)

\_\_\_\_\_  
(Date)